

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 2353 - HB 2107

March 12, 2014

SUMMARY OF BILL: Requires mid-year high school graduates to continue being counted as enrollees in a local education agency (LEA) through the remainder of the academic year for the purpose of the Basic Education Program (BEP) funding formula.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Exceeds \$18,404,500/BEP

Increase Local Revenue – Exceeds \$18,404,500/State BEP funding

Assumptions:

- Based on information received from the Department of Education and the Comptroller of the Treasury, currently students who graduate in the middle of the school year are counted as partial average daily memberships (ADM)s for the purpose of funding in the following academic year.
- Continuing to count early graduates as full ADMs will cause the BEP funding formula to generate additional state BEP funding for LEAs.
- A student who graduates early is currently counted as 30 percent of a full average daily membership (ADM).
- Over the past four years, an average of 6,290 students has graduated early. It is assumed this number will remain relatively stable over time.
- The number of increased ADMs is estimated to be 4,403 (6,290 x 70%).
- The state BEP per pupil expenditure in FY13-14 was \$4,180. It is assumed that state BEP per pupil expenditures will increase in FY14-15 and subsequent fiscal years.
- The estimated increase in state BEP funding allocated to LEAs is estimated to exceed \$18,404,540 (\$4,180 x 4,403) beginning in FY14-15.

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CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

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